



PRESS RELEASE

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For Immediate Release

February 27, 2003

United States Attorney Paul I. Perez today announced that William Brad Kane, 62, of Port Orange, Florida, pleaded guilty to mail fraud, wire fraud, and selling forged securities, before United States District Court Judge Anne C. Conway.

Mr. Kane was charged by a Federal Grand Jury in August 2002 with eight counts of mail fraud, one count of wire fraud, and two counts of selling forged securities. The maximum penalty for each count of mail fraud and wire fraud is 5 years' imprisonment, a \$250,000 fine, 1 year supervised release, and a \$100 special assessment on each count. The maximum penalty for selling forged securities is 10 years' imprisonment, a \$250,000 fine, 3 years' supervised release, and a \$100 special assessment on each count.

According to information presented during Mr. Kane's guilty plea today, he was president of SOS Industries, Inc., in New Smyrna Beach, Florida, from 1989 to December 2000. SOS Industries was in the business of leasing Personal Emergency Response Systems (PERS) to customers in their homes and monitoring those units at its New Smyrna Beach operations center. According to the government's statement at the guilty plea, Mr. Kane attracted hundreds of private investors in SOS with false

advertisements and false accounting statements on the number of PERS units leased to customers and the rapid growth in SOS business. After a time, Mr. Kane was paying his current investors with new investors' deposits, rather than with a legitimate return on their investment, which is commonly called a "Ponzi" scheme. According to court documents, there are more than 400 victims who invested between \$25,000 and more than \$3 million from 1994 to 2000. SOS Industries, which employed approximately 100 people at its monitoring center in New Smyrna Beach, Florida, has been in bankruptcy since December 2000.

Mr. Kane also pleaded guilty to selling forged SOS stock certificates representing more than 4 million shares of SOS stock to other investors.

The case was investigated by a team of agents from the Federal Bureau of Investigation, the Florida Department of Law Enforcement, and the State of Florida Office of Financial Services, Investigations Division. The case is being prosecuted by Assistant United States Attorney Bruce S. Ambrose.